

Meat Industry Association
of New Zealand (Inc)

Submission to the Transport and Industrial
Relations Select Committee on

The Holidays Amendment Bill

16 September 2004

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Part 1: Preliminaries

I. EXECUTIVE SUMMARY

1. The Meat Industry Association of New Zealand ('MIA') is generally supportive of the proposals contained in the Bill. A need to clarify aspects of the Holidays Act ('the principal Act') arose following the 'first round' of statutory holidays under that Act in April and June this year and the resulting examination of its 'unintended consequences'.
2. Generally speaking, the proposals contained in the Bill address the 'unintended consequences' recognised by government, although in Part 2 of this submission MIA makes some recommendations as to how the proposals may be refined.
3. The major impacts of the Holidays Act 2003 ('the principal Act') to the meat industry, however, are the result of the introduction of the concept of 'relevant daily pay'. This has come at a significant cost in economic terms and is also manifesting itself in an attitudinal shift in the industry's workforce.
4. In Part 3 of this submission, MIA provides detailed information for the committee on these impacts, which MIA hopes will assist the committee in appreciating the wider impacts of the principal Act. While the committee may feel that it is unable to consider this issue in the context of its report on the Bill, MIA trusts that the information contained in Part 3 will nonetheless be valuable in assisting and informing the future deliberations of the committee.
5. MIA members have drawn a number of issues that have arisen in the implementation of the principal Act to the MIA's attention. These are set out in Part 4 of this submission. While again recognising that these issues tend to fall outside the scope of the Bill, MIA would like to share these matters with the committee in order that it can consider them at an appropriate time.

II. MEAT INDUSTRY ASSOCIATION OF NEW ZEALAND (INC.)

6. MIA is a voluntary trade association representing New Zealand meat processors, marketers and exporters. It is an Incorporated Society (owned by members) that represents companies supplying most New Zealand sheepmeat exports and all beef exports. Its member companies are responsible for approximately 21% of New Zealand's total exports by value, equating to approximately \$NZD 5 billion annually.
7. There are approximately 60 export plants and 30 packing houses situated throughout New Zealand from Moerewa to Invercargill. Processing plants range from single shift, one chain (60 employees) to multi-chain, multi-shift (over 3,000 employees). Company ownership structures vary between co-operatives, privately held companies, and public (listed and unlisted) companies. The total number of industry employees at peak season is in excess of 20,000. Most process workers are seasonal employees although there is a marked difference in season duration between the North and South Islands.
8. MIA members employ staff on a variety of remuneration mechanisms including wages, piece rates, allowances, salaries, or a combination of these. A majority of the workforce are employed under collective agreements, and employees generally enjoy remuneration

and leave conditions in excess of statutory minimums. Labour shortages in some areas have put pressure on employers to continue to look at ways to make employment in the industry an attractive career option – a factor which provides a further impetus for the industry to continue to provide favourable employment conditions.

9. A list of MIA members is attached as Appendix IV.

III. CONSULTATION PROCESS

10. In preparing this submission all members and affiliate members were invited to provide input, although the opportunity for input has been constrained due to the challenging timeframes for the making of submissions. MIA members may also make individual written submissions supplementing this paper and reflecting concerns relating to their specific operations.
11. MIA welcomed the opportunity to be represented at the working group convened by the Department of Labour to address the 'unintended consequences' of the principal Act, and has on several occasions also had the opportunity to provide information on implementation issues associated with the introduction of the Holidays Act 2003 and discuss those directly with government. As such, MIA has been actively involved in the policy process that has led to the drafting of this Bill, and appreciates the opportunity to continue to input into the Bill through the making of oral submissions at the invitation of this committee.
12. MIA acknowledges that the circumscribed content of the Bill accurately reflects the tightly defined terms of reference for the 'unintended consequences' working group. The Bill is also consistent with the way in which the issues were discussed at the working group.
13. Nonetheless, MIA notes that the Bill is being progressed in a rather tight timeframe. While there is value in passing amendments to the principal Act prior to Labour Weekend (23-25 October), where legislation is amended at speed we note that there is a real possibility that fundamental issues may be overlooked or not fully appreciated. Accordingly, MIA's view is that a wider, less time-constrained review of the consequences of the principal Act would be appropriate.

Part 2: MIA Submission on the Bill

IV. SUMMARY OF RECOMMENDATIONS

14. MIA recommends that:
 - (a) The Bill should exempt salaried employees from entitlements to 'time-and-a-half' for working on a public holiday;
 - (b) A provision be added to clause 7 to clarify that employment agreements that comply with section 52 of the principal Act as currently stated will be deemed to comply with the amended section 52 until those agreements are next amended;
 - (c) Clause 8 should simply provide that the entitlements set out in section 50 and section 56 of the principal Act will not apply in respect of a public holiday that an employee was

required, or had agreed, to work where the employee ultimately does not work that day and instead takes sick or bereavement leave; and

- (d) Clause 9 should be amended to provide that it is the employee that must meet the costs of obtaining a proof of sickness or injury when an employer has reasonable cause to suspect an employee has taken sick-leave for non-genuine reasons.
- (e) If recommendation (d) above is not adopted, clause 9 should clearly allow that employers and employees can agree in advance that a particular treatment provider will be used if proof of illness or injury is required

V. CLAUSE-BY-CLAUSE ANALYSIS

Clause 4

- 15. MIA supports clarifying that employees cannot 'double-dip'. That is, where an employment agreement provides penal rates for working a particular day or type of day (e.g., Sundays), the employee works on such a day, and that day also happens to be a public holiday, the employee should not be entitled to be paid time-and-a-half on top of those penal rates.
- 16. MIA notes, however, that clause 4 of the Bill would appear to complicate the calculation of public holiday pay entitlements. In the case of an employment agreement that pays a simple hourly rate, an employer will only need to determine whether the penal rates generally payable for working a particular type of day (such as a Sunday) were equal to or greater than time and a half. This is straightforward enough, but it is where the employment agreement also provides for shift allowances or productivity incentives that things are more complicated.
- 17. The reason for this is that an employee's entitlement for payment for working a public holiday is determined by reference to 'relevant daily pay', which means that shift entitlements, penal rates and productivity incentives must also be paid out at the statutory 'time-and-a-half' formula. The result is that where penal rates in an employment agreement apply only to an hourly rate and not to shift entitlements or productivity incentives (e.g., if only the hourly rate is paid at 'time-and-a-half' for working a Sunday), employers will likely need to run two calculations for each affected employee to properly determine their entitlement to payment for working a public holiday.
- 18. The meat industry is in a difficult position in this respect because shift allowances, penal rates and productivity payments feature heavily in negotiated employment agreements. To put some context around this, one MIA member needed to make 3,073 individual calculations to determine employee entitlements to payment for public holidays over Easter 2004. Some small meat processors have also reported that they have struggled to find the time necessary to calculate the 'relevant daily pay' of each worker. If, under the proposed new section 50(1) of the principal Act, employers have to run two calculations to ensure all employees received their appropriate entitlements, the administrative burden and costs associated with meeting the requirements of the principal Act will escalate.
- 19. While MIA supports the clarification, then, it notes that the added level of complexity appears inconsistent with the objectives of the principal Act, which as a Bill was accompanied by an Explanatory Note which stated its purpose as being to make minimum leave entitlements easy to understand and apply.

20. As a final point on clause 4, MIA notes that the question of whether and employee was entitled to 'time-and-a-half' on top of penal rates for working was the subject of some public debate earlier this year. Despite union pressure, many MIA members subscribed to the view that the Holidays Act as currently iterated does not require payment of time-and-a-half on top of penal rates. As a result, while the clarification proposed in clause 4 of the Bill is welcomed, the MIA does not expect that it will significantly alter the impact the Holidays Act has had on the industry.

Clause 5

21. This clause would extend the period during which an employer can pay an employee for work on a public holiday as part of the employee's regular pay. While the MIA supports the principle behind such an extension, it submits that there is still a wider related issue that the principal Act should address.
22. The principal Act requires payment of 'time-and-a-half' to salaried employees that work on a public holiday. MIA submits that this does not recognise the generally accepted nature of salaries. Salaries are widely understood and accepted as a 'complete' remuneration that does not ordinarily attract penal rates - irrespective of the particular days or number of hours worked.
23. MIA recommends that the Bill should exempt salaried employees from entitlement to relevant daily pay plus half that amount again for working on a public holiday. This would reflect the true expectations of salaried employees and their employers as to what a salary comprises.

Clause 7

24. MIA notes that this clause would require parties to employment agreements that comply with the principal Act as currently stated by expressly providing for the employee's entitlement to 'time-and-a-half' under that Act, to revise their agreement to bring it into line with the amendments proposed in the Bill. MIA suggests that it is perhaps unnecessary to require further changes to such employment agreements to accommodate what is essentially a shifting of the goalposts.
25. MIA recommends that a provision be added to this clause to clarify that employment agreements that comply with section 52 of the principal Act as currently stated will be deemed to comply with the amended section 52 until those agreements are next amended.

Clause 8

26. MIA supports clarifying that an employee that calls in sick on a public holiday he/she was required, or had agreed, to work is not entitled to be paid at 'time-and-a-half'.
27. Clause 8 of the Bill proposes to treat such employees as if they were persons that would ordinarily work that public holiday, but were not at work. In terms of remuneration, this means an employee would only be entitled to 'relevant daily pay' – not 'relevant daily pay' at 'time and-a-half'.
28. From a remuneration perspective, this would seem to put an employee in the same position as he/she is when taking sick leave on any other day. However, MIA notes that there

appear to be potential issues that arise through treating sick days taken on public holidays as the taking of the holiday rather than the taking of sick leave.

29. Firstly, it would appear that there would be no charge against the employee's overall sick leave entitlement for taking the day off. Similarly, it seems that it would not matter if the person was not entitled to take sick leave – whether through not having been employed for the required minimum period for entitlement to arise or through the employee having used up his/her entitlement. The employee would appear to be entitled to a paid public holiday regardless.
30. Deeming a sick day taken on a public holiday not to be a sick day also has consequences relating to medical certificates. If an employer had reasonable grounds to suspect that the leave was not taken for genuine reasons (and assuming clause 9 of the Bill is enacted), it is not clear that the employer would be able to require proof of sickness or injury.
31. MIA recommends that this clause should simply provide that the entitlements set out in section 50 and section 56 of the principal Act will not apply in respect of a public holiday that an employee was required, or had agreed, to work where the employee ultimately does not work that day and instead takes sick or bereavement leave.

Clause 9

32. In principle, MIA supports extending employer's rights to require proof of illness or injury, but notes that the way in which the extension is framed in clause 9 is likely to require some judicial attention in order to determine the scope of this right. In particular, what are 'reasonable grounds' for suspecting leave was not genuinely taken, and how soon is 'as early as possible' are potential issues for judicial consideration. The extent of the 'expenses' an employer would be required to meet is potentially another such issue.
33. There is also a significant practical issue with regard to the effectiveness of clause 9. In most cases, an employer will only be able to require a medical certificate after the event. A retrospective medical certificate, issued after the employee has returned to work, will not actually prove whether was employee was ill. It is evidence only of the fact that the employee has told a doctor that he/she was sick on a given day.
34. Some MIA members have suggested that the cost of meeting an employee's expenses in providing proof of sickness or injury could undermine the real value of clause 9. MIA submits that if the employer has genuine reasonable grounds to suspect sickness or injury was feigned, it is not unreasonable to expect the employee to meet the costs of obtaining proof to the contrary. Such an approach would also remove the need for judicial clarification as to what 'expenses' an employer was obliged to face.
35. Alternatively, MIA submits that, the potential impact the having to meet employee's expenses in obtaining proof may have on the practicality of clause 9 can be mitigated in the case of many meat industry employers if they can make use of preferential treatment providers with which they have existing discount arrangements
36. MIA recommends, therefore, that clause 9 be amended to provide that it is the employee that must meet the costs of obtaining a proof of sickness or injury when an employer has reasonable cause to suspect an employee has taken sick leave for non-genuine reasons.

37. Alternatively, clause 9 should at least clarify that employers and employees can agree in advance that a particular doctor or clinic will be used if proof of illness or injury is required.

Part 3: Impact of the Holidays Act 2003 on the Meat Industry

VI. INTRODUCTION

38. In Part 1 of this submission MIA indicated that, in addition to its submissions on the Bill, it intended to provide some information to give the committee an insight into the impacts of the principal Act on the meat industry. Our experience in the first two months of the Act's implementation indicated that there were a number of areas that would benefit from further dialogue and clarification. The increased cost burden on the meat industry has been substantive, an industry that provides a livelihood of for some 20,000 employees and approximately 15,000 commercial sheep and beef farmers.
39. The Association therefore sought objective data from its membership to quantify the impact of the principal Act. MIA recognised that such data would provide valuable support to the anecdotal experience of its membership. The information that resulted from this exercise is discussed below.
40. MIA accepts that the committee is not charged with reporting on the wider impacts of the principal Act at this point in time. MIA nonetheless wishes to present this information to the committee in order that it might assist the present and future deliberations of the committee and its members.

VII. WHERE DO THE IMPACTS ARISE?

41. It is perhaps useful at this point to briefly mention what the data represents. Broadly speaking, the majority of the meat industry workforce was already paid penal rates for working public holidays and so the impact of the principal Act has not been significant in this respect. Although the MIA opposed mandatory 'time-and-a-half' in its submissions on the Holidays Bill, this was (and is) opposition based on a belief that remuneration packages ought to be able to negotiated and agreed between the parties, including that penal rates and other matters should be a matter of negotiation between employers and employees rather than a concern with additional costs.
42. The additional cost of sick leave, bereavement leave and public holiday entitlements are instead the result of the fact that absent employees must nonetheless be paid productivity incentives, shift allowances and the like. As discussed below, this requirement is the result of the concept of 'relevant daily pay' replacing the long-standing concept of 'ordinary pay' as the basis on which sick leave, bereavement leave and statutory holiday entitlements are calculated.

VIII. RELEVANT DAILY PAY

Background

43. Prior to the commencement of the principal Act, employers and employees could agree the 'ordinary pay' that would be payable to an employee for public holidays, sick leave and or bereavement leave taken by the employee. This contrasted to an employee's entitlements for payment during a period of annual leave, which were based on the employee's actual average earnings.
44. During the development of the principal Act, a tripartite working group involving the government and representatives of business and unions debated the most appropriate way to modernise the former Holidays Act 1981. This working group determined to recommend a policy that codified existing case law - notably the decisions of the Court of Appeal in *Ports of Auckland v New Zealand Waterfront Workers Union (Inc)* and *Greenlea Premier Meats Limited vs Horn*. The key principles to be codified included excluding amounts payable in defined circumstances (e.g., overtime, bonuses, allowances and productivity based payments) from the calculation of 'ordinary pay' and allowing a notional 'ordinary pay' to be agreed between employers and employees where payment for work is based on a piece-rate-, productivity or commission-type basis.
45. These principles were incorporated into the Holidays Bill (as the principal Act then was) when it was introduced and subsequently referred to this select committee. When the Bill was reported back to Parliament, however, 'ordinary pay' pay had been replaced with the new concept of 'relevant daily pay'.
46. In its report on the Holidays Bill, the select committee noted that the change was in response to suggestions made by submitters that calculated annual leave entitlements would be difficult because, *inter alia*, the definition of 'ordinary pay' was unclear. The report also said that the committee wished to:

recognise that there are other circumstances, such as when calculating public holiday, bereavement and sick leave pay, where it is more appropriate to use the concept of 'Relevant Daily Pay'. Relevant Daily Pay is what the employee would have received had they worked the day in question.

47. While it was perhaps not the select committee's intention to do so, its efforts to clarify the concept of 'ordinary pay' through the introduction of the concept of 'relevant daily pay' have increased the costs of public holidays, sick leave and or bereavement leave quite dramatically.

Impact of 'Relevant Daily Pay'

48. Appendices I, II and III to this submission illustrate the impact that the substitution of 'ordinary pay' for 'relevant daily pay' has had on the costs to MIA members of sick leave, bereavement leave and unworked (yet paid) public holidays. As noted above, the prevalence of penal rates in existing negotiated employment agreements has meant that the impact on the cost of paying employees that actually work public holidays is not significant, although the requirement to provide an alternate day in lieu has presented

implementation challenges and an additional cost-burden. In other words, the bulk of the impact is the result of additional payments to employees for time not worked.

49. Appendices I and II are based on data received from MIA processor members on total payroll cost during comparable pay periods in April/May 2003 and April/May 2004. The data represents approximately 75% of meat industry production, employing some 16,000 staff, over the relevant periods.
50. In assessing the data in Appendices I and II, one must bear in mind that Anzac Day fell on a Sunday in 2004. Sundays are not commonly worked in the industry, which means that for the April/May 2004 period there was, generally speaking, one less statutory holiday to contend with than in April/May 2003 period.
51. Appendix I shows that, while the number of employees fell by over 600, the payroll cost rose by around \$5m. Appendix II shows that if this data is adjusted to suppose identical employee numbers over the two periods, the increase in total payroll becomes around \$9.45 million. This amounts to a 9.55% increase in the cost of payroll, of which 6.26% is directly attributable to the increased cost of statutory holiday pay, sick leave, and bereavement leave. Extrapolating that data to reflect 100% of meat industry production for that period would equate to a \$11.9 million increase in total meat industry payroll.
52. Appendix II also shows that both the cost and the incidence of sick and bereavement leave have risen substantially in the April/May 2004 period compared with April/May 2003. If employee numbers were identical in the two periods, as shown in the adjusted data in Appendix II, the incidence of sick leave almost doubled in April/May 2004 – with the cost of that sick leave almost quadrupling.
53. Further, MIA members have estimated additional costs arising from the resulting disruption (inability to process, unfilled customer orders, etc.) to be around \$3.15m over April/May 2004.
54. Appendix III is based on data received from MIA processor members on the total cost of payroll for the year ending 31 March 2004 and the estimated cost of payroll for the year ending 31 March 2005. This data represents around 90% of meat industry production, employing more than 20,000 staff.
55. Appendix III shows that the meat processors that provided data conservatively estimate the increased costs of statutory holiday pay, sick leave and bereavement leave to be around \$27.4 million in the 2004/05 year – a total payroll increase of around 4.43%. This estimate assumes that leave patterns seen in the year ending 31 March 2004 are replicated in the 2004/05 year and does not take into account any costs associated with disruption. As shown in Appendices I and II, though, it already appears that the incidence of sick and bereavement leave will be greater in the 2004/05 year. If this pattern continues, the actual cost of sick leave will move closer to the contingent liability for sick leave also shown in Appendix III. Extrapolating that data to 100% of meat production would equate to a \$30.15 million increase in payroll costs. This is a significantly higher cost-burden than the estimate of costs set out in our submission to the committee on the Holidays Bill during 2003. A further increase in costs will take effect on 1 April 2007 conservatively estimated at 2% of payroll.
56. To put the data presented in the Appendices I, II and III into perspective, during 2002 and 2003 New Zealand's four largest meat processors (Alliance Group, AFFCO, Richmond

Limited and PPCS), representing about 80% of total meat production and the employers of some 17,500 staff, made a combined net profit of slightly under \$25 million per annum. . In its publication, *Contribution of Land-based Primary Industries to New Zealand's Economic Growth, 2003*, the Ministry of Agriculture expressly acknowledged (at page 30) that the meat processing industry operates on extremely low profit margins.

57. Labour costs are a significant portion of input costs for the meat industry and any increase in those costs, not reflected in competitor's costs; make New Zealand less competitive in the international market place. An increase in payroll of at least \$30.15 million and other associated cost-increases related to the additional administrative burden or unfilled orders are, therefore, a significant challenge for the industry. This is particularly so given that it is difficult for the industry to pass this cost on to other sources. Realistically, it is not possible to recover the costs from the international market place (where the majority of New Zealand meat is destined) as consumers are increasingly price conscious and are presented with an ever-increasing range of protein options. The only other alternative is to pass increased costs on by paying farmers less for their animals, but again this is complicated by the need to encourage farmers to remain committed to beef and lamb production as opposed to other potential land uses. At the farm-gate, estimates provided by our members indicate that it is probable that farmers will receive at least \$1 less for each lamb and at least \$12 less for each cattle beast due to the increased costs attributable to the Holidays Act provisions.
58. In addition to direct financial impacts, MIA members have reported, that whether intended or not, there has been a significant behavioural change take place that also has its roots in the concept of 'relevant daily pay' and the notion that an employee will be paid at the same rate as if they were working irrespective of whether they come to work. Instead of viewing sick and bereavement leave entitlements as a safety net in the event of sickness or bereavement they are becoming increasingly viewed as entitlements that employees must use to ensure they maximise their entitlement to time off at full pay. In short, MIA members report the development of a 'taking time off as a right' culture in relation to sick leave and bereavement leave, rather than a privilege intended for times of need. This situation is further exacerbated as many staff have (as provided for in their employment agreement) accumulated leave in excess of the statutory minimums to fall back on in the event of genuine sickness or bereavement. This has been reported from all workplaces and we trust that the committee will appreciate how disheartening this is to employers with long-standing and positive working relationships with their employees.
59. The substantive direct and indirect costs associated with implementation of the Holidays Act also means that any money that may otherwise have been available for reinvestment and rewarding employees for production is no longer available.
60. Further, in a significant number of instances, shifts have been cancelled due to insufficient staff to operate. This means that employers have difficulties meeting customer orders, but also means that those workers that did turn up faced reduced earnings. While their colleagues taking sick leave are paid productivity incentives as part of their 'relevant daily pay', the workers that have reported for work are unable to produce, and as a result do not receive their productivity payments. It is difficult to justify that workers taking sick leave should be better off than those reporting for work – yet this phenomenon is occurring as a direct result of the introduction of 'relevant daily pay'.

61. Higher absenteeism has also resulted in less-skilled employees needing to 'step-up' into different roles. This results in lower productivity in terms of both quantity and quality, and can also expose employees to a greater risk of injury.

The 'Relevant Daily Pay' Formula

62. Under section 9 of the principal Act, relevant daily pay can be calculated on two different bases. Subsection 9(1) provides that 'relevant daily pay' can be calculated by assessing what an employee would expect to receive for working that day. However, if it is not possible to determine this, subsection 9(3) allows an employer to calculate 'relevant daily pay' by averaging out the employee's earnings over the previous four weeks.
63. Some MIA members would prefer to use subsection 9(3) exclusively, but have been informed by the Department of Labour that it is not possible to do so. MIA suggests, however, that allowing employers to elect to use subsection 9(3) consistently as basis for determining 'relevant daily pay' would make calculation of 'relevant daily pay' less of an administrative burden. Alternatively, a similar effect could be had through allowing employers and employees to agree a fixed rate that represents relevant daily averaged over a long term.

Part 4: Other Issues

64. MIA members have drawn a number of issues that have arisen in the implementation of the principal Act to the MIA's attention. While again recognising that these issues tend to fall outside the scope of the Bill, MIA would like to share a selection of these matters with the committee in order that it can consider them at an appropriate time. We would also be prepared to submit further on these and other issues if it would be of assistance to the committee.

IX. BEREAVEMENT LEAVE

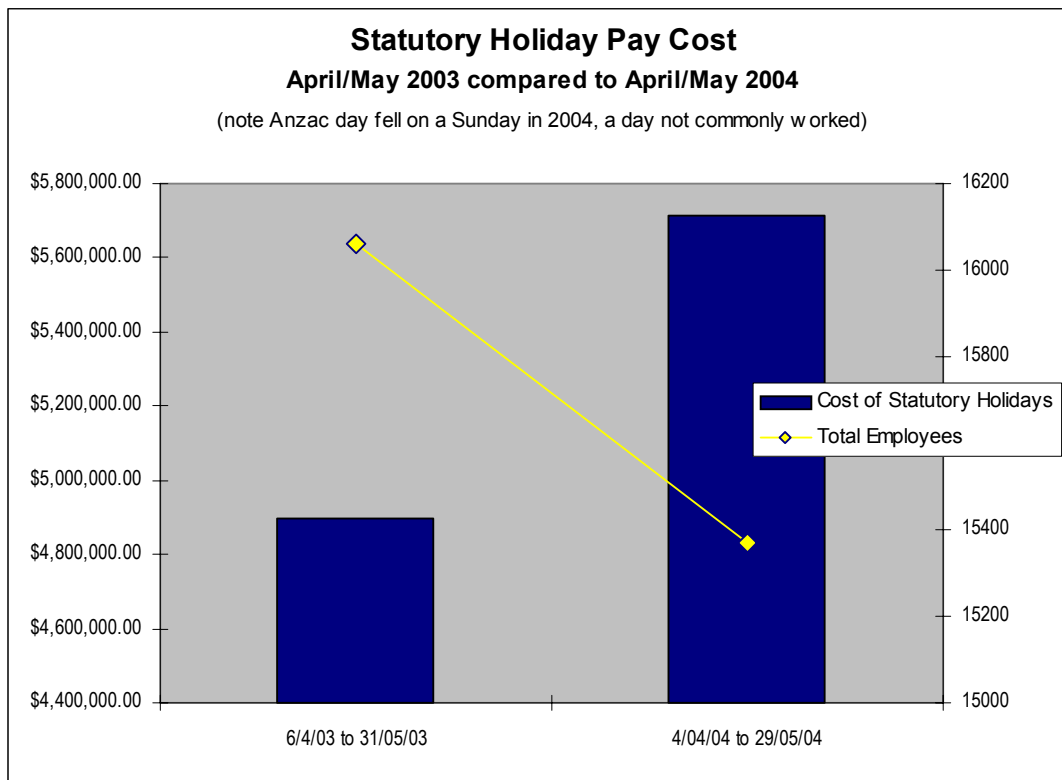
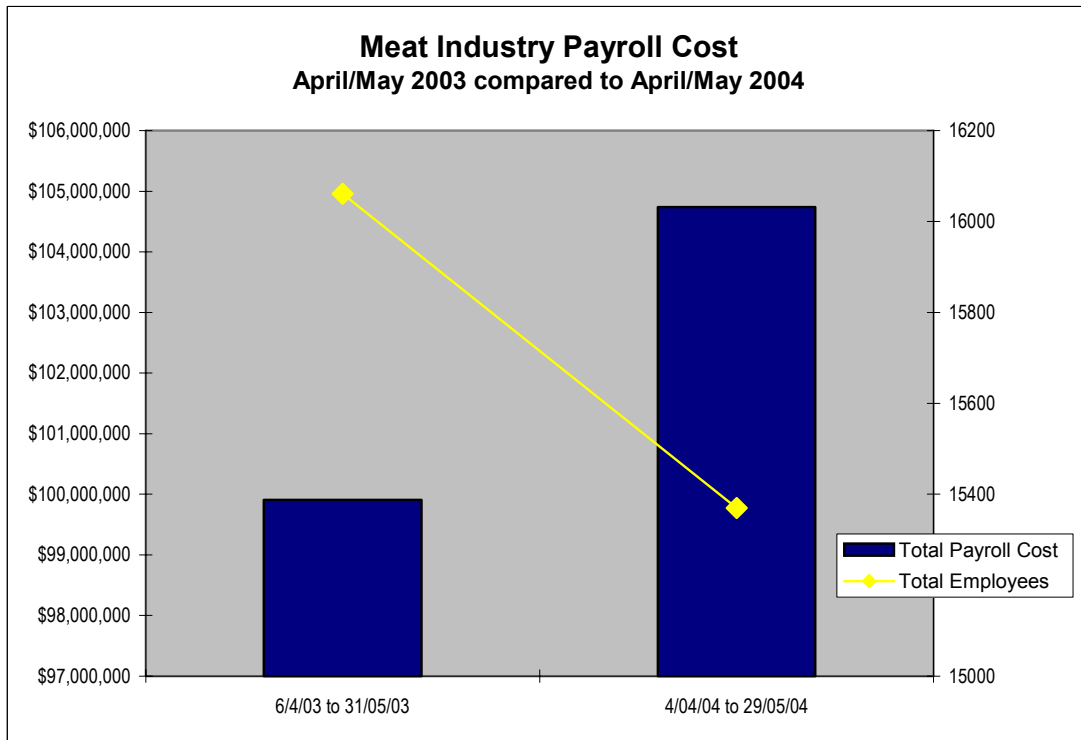
65. Section 69 of the principal Act currently states that, except in the case of the death of one of a close relative of a type listed in subsection 69(2)(a), bereavement leave is only available if the employer accepts that an employee is genuinely bereaved as a result of a death. Feedback from MIA members is that this places employers in a difficult – and even unfair – position. Employers are placed in the unenviable position of not wanting to actually challenge an employee's claim to be bereaved, yet needing to ensure that a sufficient number of employees that are not genuinely bereaved are available to maintain production.
66. MIA suggests that the principal Act should be amended to provide an objective reference point for determining if a bereavement is one that should be recognised under the principal Act.

X. ALTERNATIVE HOLIDAYS

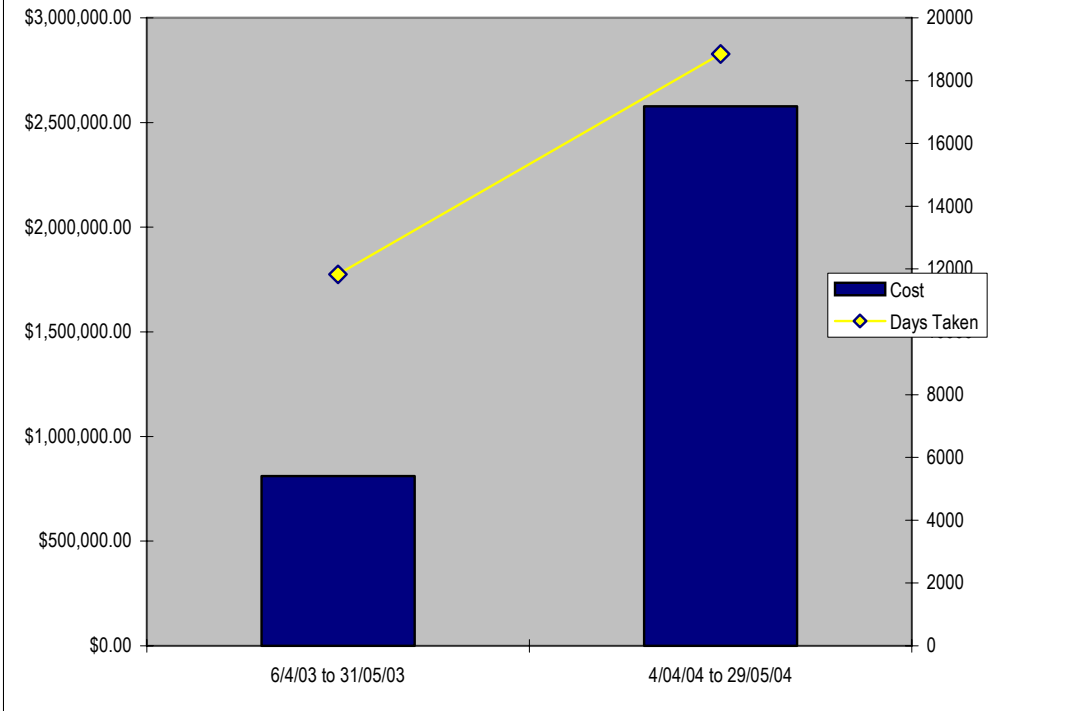
67. Another issue raised by the MIA membership is the right of employees, under section 57 of the principal Act, to determine which days they will take as an alternative holiday where that employee has worked a public holiday. Although the employee and employer are required to agree a date for the taking of the holiday, if agreement cannot be reached the principal Act allows the employee to determine the day.

68. MIA members report that this provision has resulted in some employees giving notice that their alternative holiday is to fall on a certain day, characteristically a peak production day, in order that it will attract the maximum daily pay available under their employment agreement. Some members have reported entire shifts requiring that the same day be taken as their alternate day meaning that production has not been possible and customer orders not able to be filled.
69. MIA suggests that the right for employees to unilaterally determine the date on which they will take their alternative holiday should be repealed, leaving the parties to mutually agree a date.

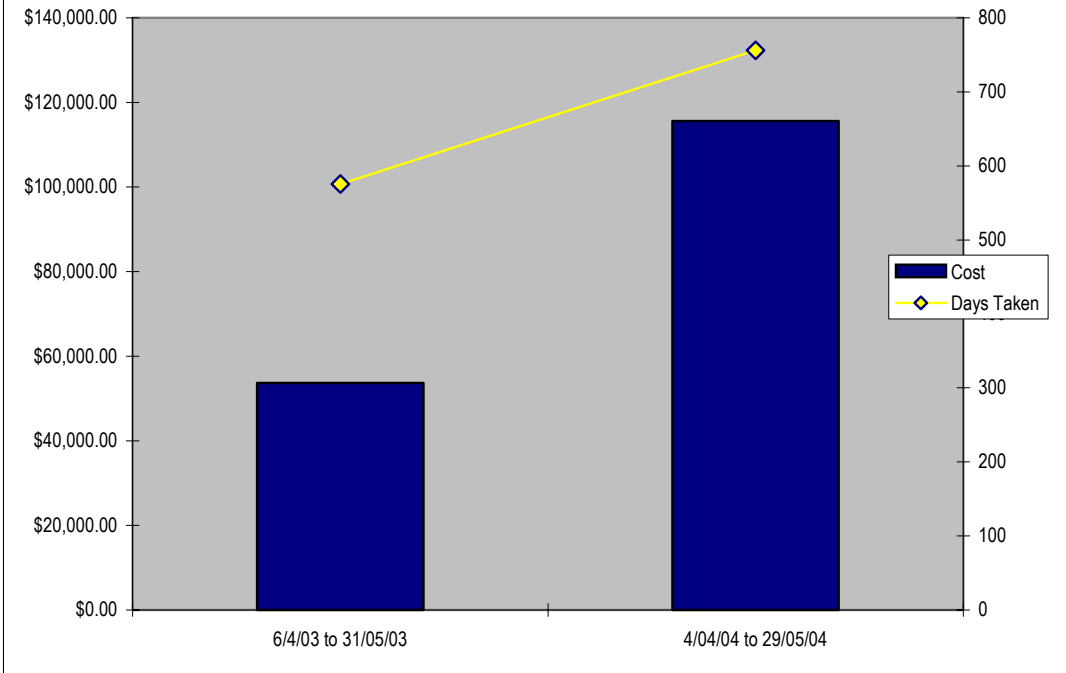
APPENDIX I: April/May 2003 compared with April 2004/May 2004 – Actual Data (comparable pay periods, data represents ~75% meat industry production)



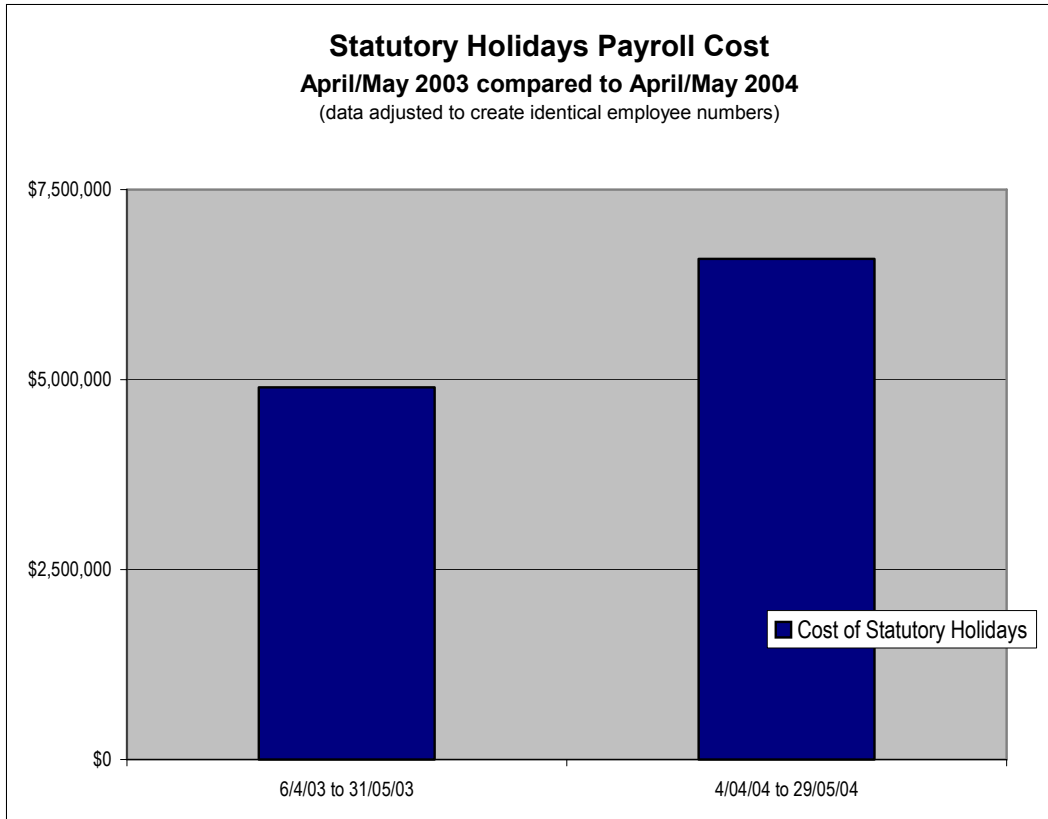
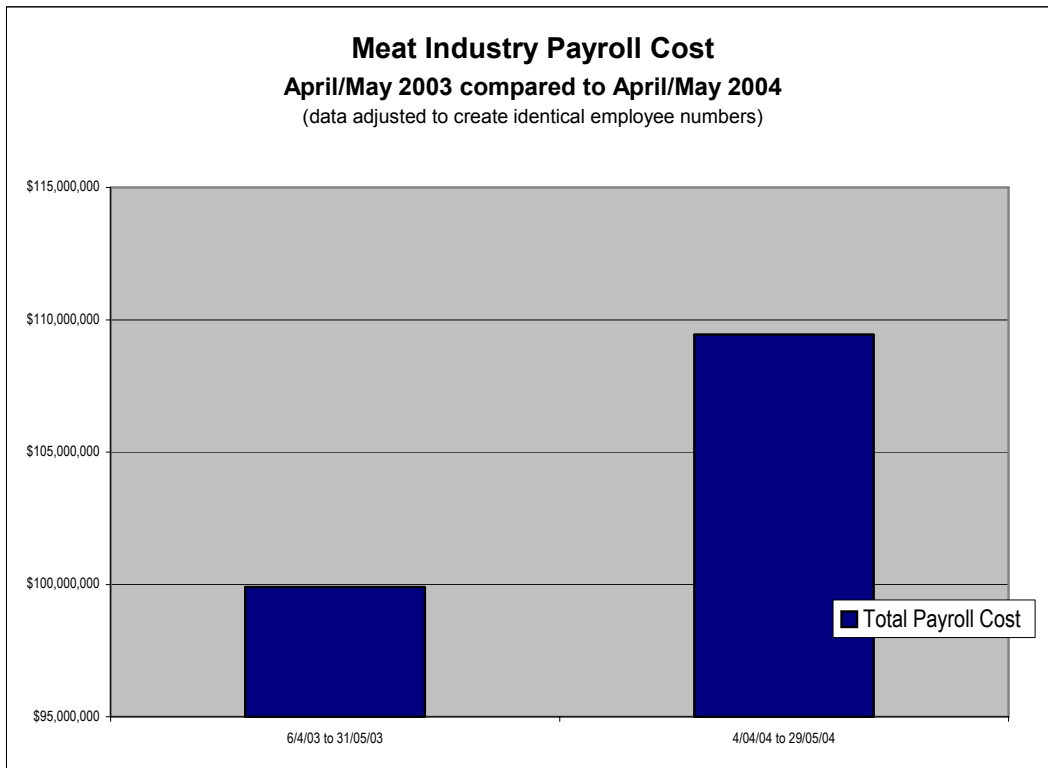
**Sick Days: Days Taken and Cost
April/May 2003 compared to April/May 2004**



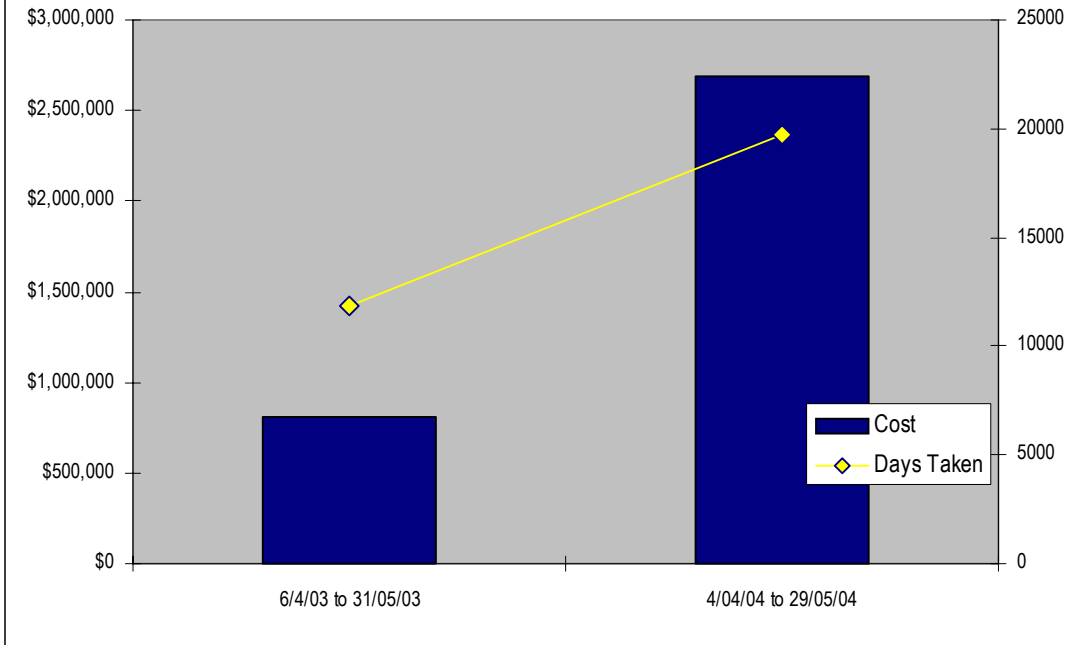
**Bereavement Leave: Days Taken and Cost
April/May 2003 compared to April/May 2004**



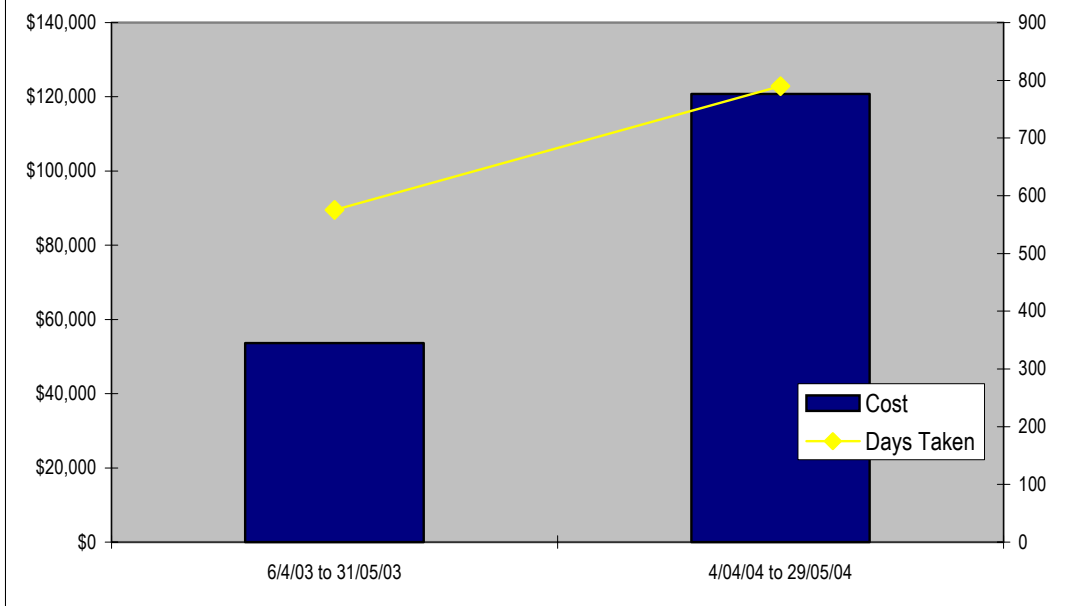
APPENDIX II: April/May 2003 compared with April 2004/May 2004 - Data Adjusted for Employee Numbers (comparable pay periods, data represents ~75% meat industry production)



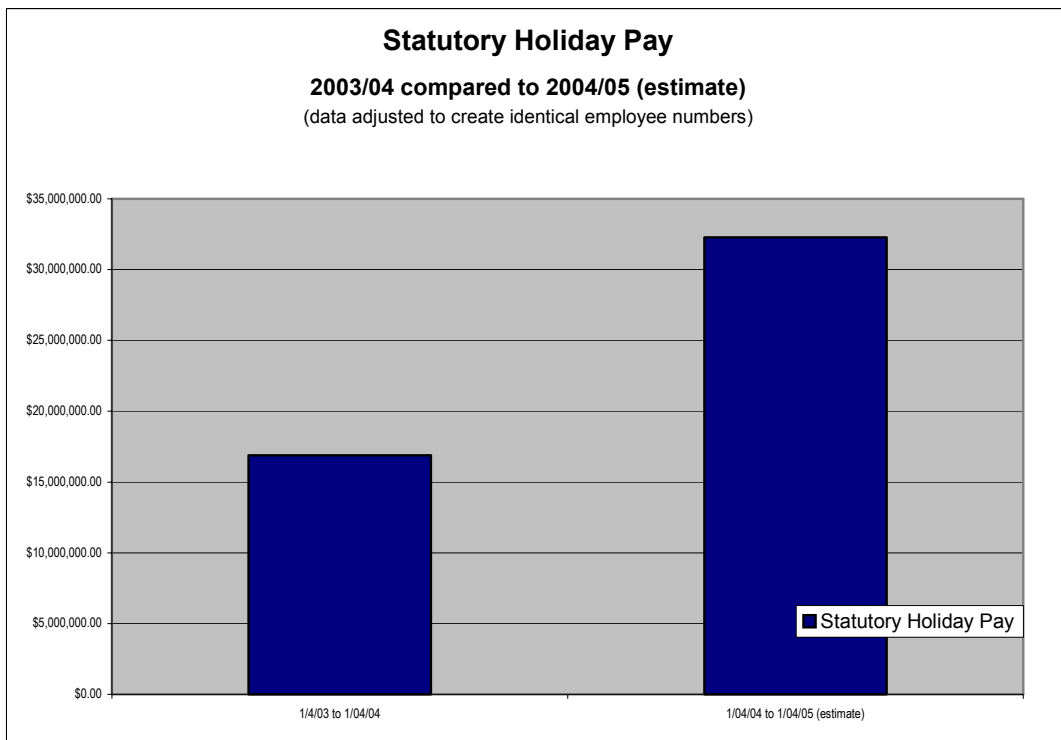
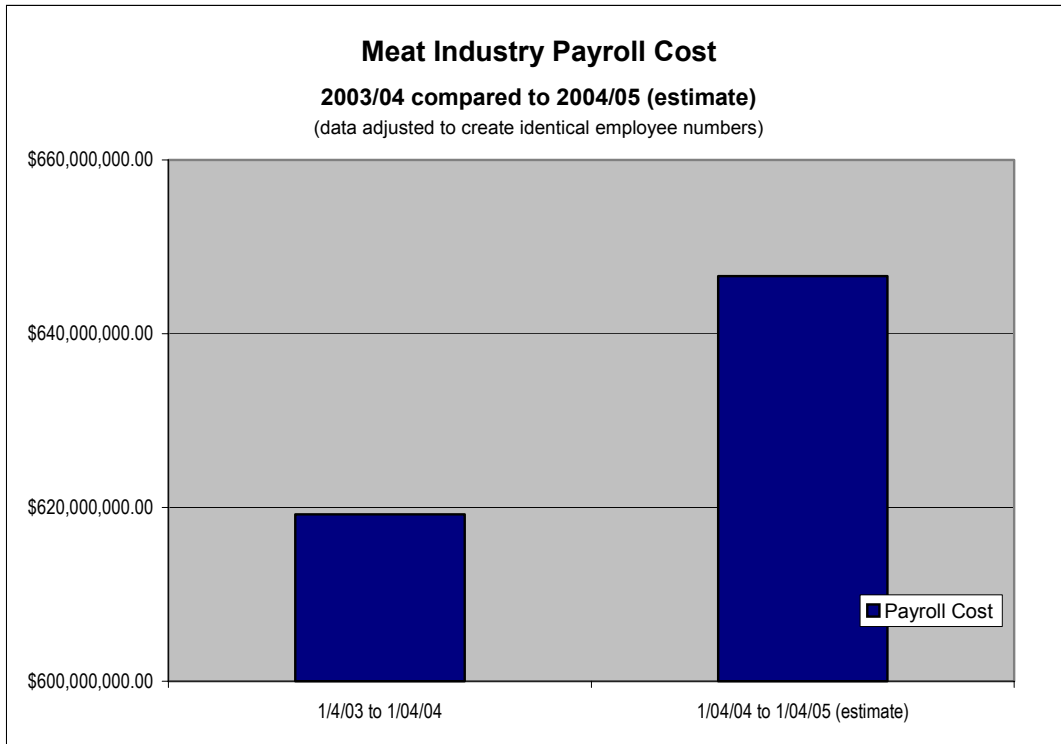
Sick Days: Days Taken and Cost
April/May 2003 compared to April/May 2004
 (data adjusted to create identical employee numbers)

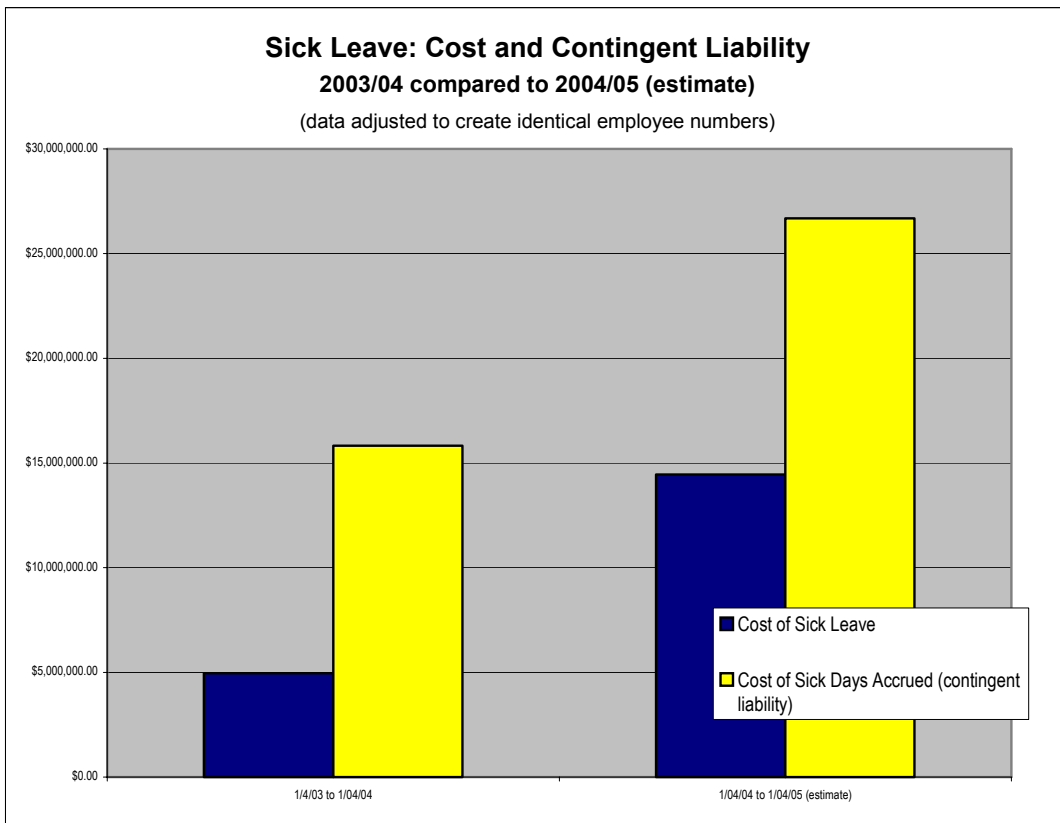
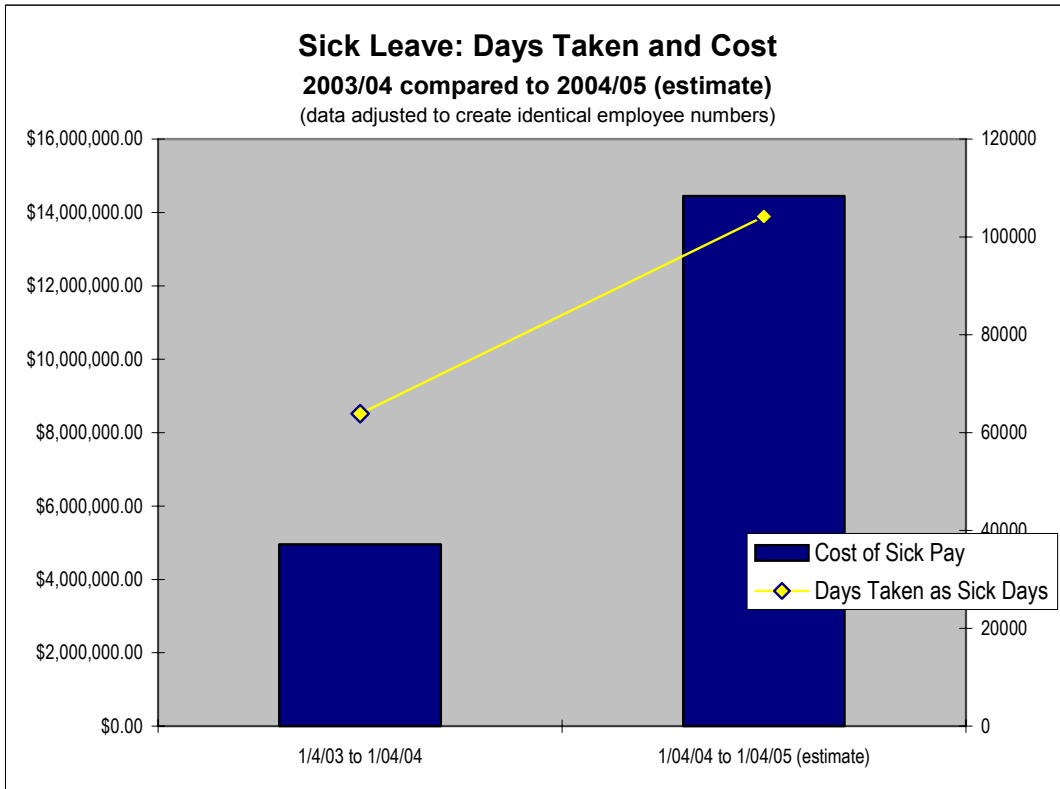


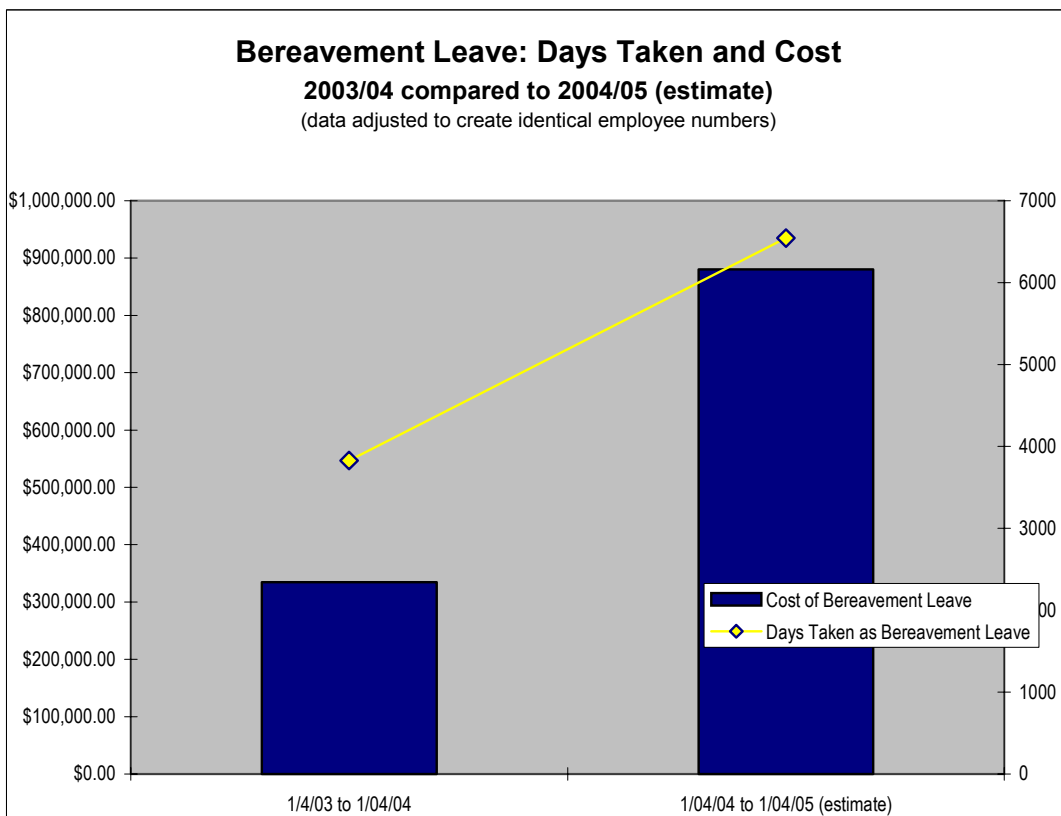
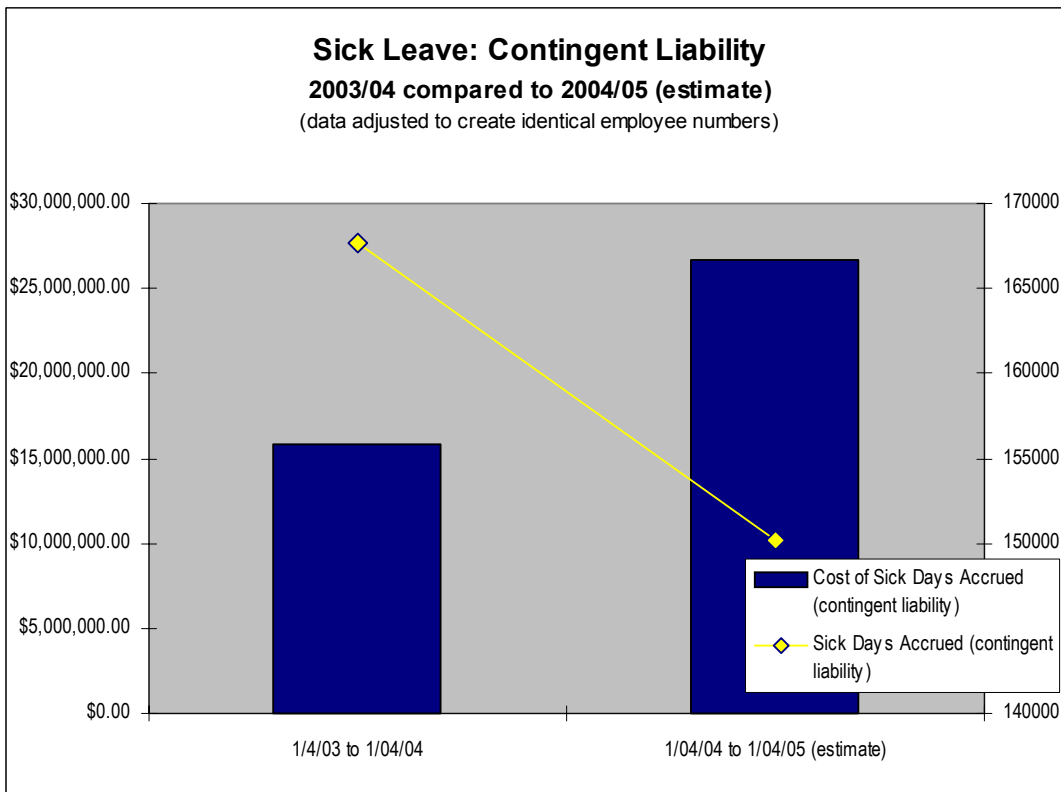
Bereavement Leave: Days Taken and Cost
April/May 2004 compared to April/May 2004
 (data adjusted to create identical employee numbers)



APPENDIX III: April 2003 to March 2004 compared with April 2004 to March 2005 (estimated)
 Data represents approximately 90% of meat industry production and data has been adjusted to create identical employee numbers







APPENDIX IV

MIA Members as at 1 September 2004

AFFCO New Zealand Ltd
Alliance Group Ltd
ANZCO Foods Ltd
Auckland Meat Processors Ltd
Ballande New Zealand Ltd
Bernard Matthews NZ Ltd
Blue Sky Meats (NZ) Ltd
Brookland (NZ) Ltd
Canterbury Meat Packers Ltd
Columbia Exports Ltd
Crown Marketing Ltd
Dairy Meats NZ Ltd
Davmet New Zealand Ltd
Fern Ridge Ltd
Frasertown Meat Company Ltd
Garrett International Meats Ltd
Greenlea Premier Meats (NZ) Ltd
Harrier Exports Ltd
Lowe Corporation Ltd
Mathias International
PPCS Ltd
Progressive Meats Ltd
Richmond Ltd
Riverlands Ltd
Tara Exports Ltd
Taylor Preston Ltd
Te Kuiti Meat Processors Ltd
Towers Thompson (New Zealand) Ltd
Universal Beef Packers Ltd
Wallace Corporation Ltd

AFFILIATE MEMBERS

AgResearch-MIRINZ Centre
Australia-New Zealand Direct Line (ANZDL)
Carter Holt Harvey, Packaging
Centreport Wellington
Columbus Line New Zealand Limited
Contship Containerlines
Glovers Food Processors Ltd
Hamburg Sud NZ Ltd
Hapag Lloyd (NZ)Ltd
Lanexco Ltd
Maersk New Zealand Ltd
New Zealand Natural Casing Association Inc
Oceanic Navigation Ltd
P&O NedLloyd Ltd
Port of Napier

Port Otago Ltd
ProAnd Ltd
Rissington Breedline Ltd
Thompson Clarke Shipping Ltd
Tranz Rail Limited
Westgate Transport Ltd